

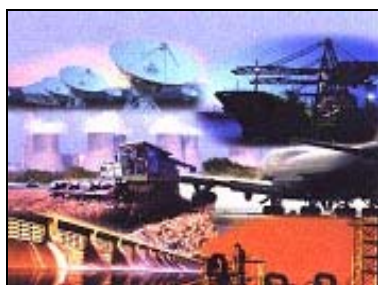


USAID
FROM THE AMERICAN PEOPLE

SOUTHERN AFRICA

EXPANDING TRADE IN SOUTHERN AFRICA

December 2005



THE CHALLENGE

Southern African countries recognize that increased trade and open markets are the drivers of economic growth and poverty reduction.

However, their share in world exports is far less than what is needed to spur economic growth. The fundamental problem is that the region is not competitive in world markets. This is due to a policy and regulatory environment that constrains trade and increases costs. In addition, the private sector needs help to produce goods and services that meet the quantity, quality, and cost requirements of external markets.

USAID PROGRAM

U.S. President Bush launched the Trade for African Development and Enterprise (TRADE) Initiative in October 2001 to help African countries and businesses to expand their exports to regional and international markets. The TRADE Initiative was succeeded by the **African Global Competitiveness Initiative** in July 2005. To implement these initiatives in Southern Africa, USAID established the Southern Africa Global Competitiveness Hub (the "Trade Hub") in Gaborone, Botswana, in June 2002.

SOUTHERN AFRICA GLOBAL COMPETITIVENESS HUB



The Trade Hub provides a wide range of services to expand trade opportunities for Southern African exporters:

TRADE CAPACITY BUILDING

The Trade Hub builds regional capacity to negotiate and implement trade agreements. Currently, the main focus is to support the Office of the U.S. Trade Representative in negotiations with the Southern African Customs Union (SACU) for a U.S.-SACU Free Trade Agreement. USAID provides trade capacity building services to the SACU Secretariat and SACU member countries (Botswana, Lesotho, Namibia, South Africa, and Swaziland). More generally, the Trade Hub strengthens regional capacity to implement business-friendly policies and to make trade rules work for business.



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AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

An AGOA Advisor at the Trade Hub facilitates U.S.-Southern African business linkages, advises on national AGOA export strategies, conducts AGOA awareness seminars, and helps firms understand and comply with the requirements for exporting to the U.S. under AGOA.

TRADE COMPETITIVENESS

The Trade Hub improves the capacity of individual businesses and clusters of firms to produce and export competitive goods and services. Specifically, the Trade Hub increases firm productivity, reduces “friction” in input supply chains, facilitates product and process innovations, addresses quality and safety standards of export markets, improves marketing strategies, identifies bottlenecks to market growth, and promotes international business linkages. Priority sectors include agribusiness, textiles and apparel, and tourism.



AGRIBUSINESS

Horticulture is a major focus of the Trade Hub. Targeted exports include fresh fruits, fresh vegetables, cut

flowers, ornamental plants, herbs and spices, processed food products, essential oils, and colorants. The Trade Hub also facilitates exports of cotton, primarily from Zambia, Mozambique, and Malawi.

TEXTILES & APPAREL



The Trade Hub increases the competitiveness of firms and clusters of firms that export textiles and apparel

to world markets. In addition, the Trade Hub supports regional firms that are involved in multi-country sourcing, manufacturing, or marketing.

TOURISM



The Trade Hub will capitalize on culture, nature, and community life to increase local tourism revenues and expand

business opportunities for small and middle-size companies.

CUSTOMS AND TRADE FACILITATION



The Trade Hub supports regional efforts to reduce high transaction costs that hinder cross-border movement of goods

and services. Improved customs and transit procedures along key transport corridors will enable businesses to obtain needed inputs and export their goods and services at lower cost.

PRIVATE SECTOR ADVOCACY



The Trade Hub strengthens the capacity of the private sector to analyze and articulate policy and regulatory constraints to trade. The Trade Hub also facilitates public-private sector dialogue on competitiveness issues.

USAID PARTNERS

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